GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1560
ANSWERED ON:04.03.2016
LIC Audit
Raj Dr. Udit

Will the Minister of FINANCE be pleased to state:

(a) whether internal audit report of Life Insurance Corporation (LIC) unearthed irregularities/fraud in India and abroad in the recent past;

(b) if so, the details thereof;

(c) the steps taken by the Government to investigate these allegations and change book keeping patterns to ensure such allegations are not made in future; and

(d) whether the Government planning audit of LIC by independent authorities and if so, the details thereof?

Answer

Minister of State in the Ministry of Finance

(a) & (b) The Internal Audit Department conducts audit of all offices of the Life Insurance Corporation (LIC), which is an ongoing process. The findings of audit which are having fraudulent angle are referred to Vigilance Department or law Enforcement Agencies, as the case may be, for further investigation and necessary action.

LIC of India has three branches abroad one each in Fiji, Mauritius and UK. The audit report of these three branches did not find any irregularities/frauds in the recent past.

Details of irregularities observed by audit for the period 2014-15 onwards are given in Annexure.

(c) The Corporation has an approved Anti Fraud Policy as a part of Fraud Monitoring Framework for the Corporation in accordance with Para C of IRDAI Circular no. IRDA/SDD/MISC/CIR/009/01/2013 dated Jan 21, 2013. The statistics regarding various fraudulent cases detected and action taken thereon are filed with IRDAI every year within 30 days of the close of the financial year providing details of outstanding fraud cases business segment wise and closed fraud cases.

(d) According to Section 25(1) of Life Insurance Corporation of India Act, 1956, the Accounts of LIC of India have to be audited by Auditors duly qualified to act as Auditors under Companies Act, 1956 and they are appointed by the Corporation with the approval of the Government. Since inception, LIC of India is subject to audit by Independent Statutory Central Auditors (SCA) and Statutory Divisional Auditors (SDA).